To meet the future demand in the state of Orissa, it is planned to set up the following LPG bottling plants under IX Plan Proposals:

Location	*Capacity (TIATPA)*
Rourkela	22
Haldiagada	5

Losses due to outdated methods of purhasing Oil/Petroleum Products

412. DR. Y. LAKSHMI PRASAD: . Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have lost $ 1 billion over the last 10 years as a result of outdated methods of pruchasing OiUPetroleum products;

(b) whether these outdated methods have been identified and if so, the details thereof; and

(c) the steps being taken to streamline the purchasing methods?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI JANESHWAR MISHRA): (a) Major quantity of oil imports are made through term contracts directly with the national oil companies of the oil producing countries having exportable surplus at their official selling prices. Only the balance quantities are purchased through international tenders from refistercd parties based on economic/commercial considerations on competitive basis. All imports are being made on variable market related prices prevailing at the time of loading of the respective cargo. Since all pruchase are made at market related - prices, the question of loss does not arise.

(b) and (c) In view of the complexities and chanaging pattern of oil traders in the interantional market, it has been decided to review the existing purchase system through a reputed international consultant so as to ensure that the best pruchase practices followed in the international market are adopted by IOC. *W* s, Arthur Anderson have been appointed as consultant for this purpose by IOC to review existing system of pruchase etc. and make recommendations based on practices generally followed in trie Oil Inudstry, so as to upgrade the system to international standards.

Status of Oil Pool Account

413. SHRI S.M. KRISHNA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is meant by Oil Pool Account and what are the components thereof;

(b)'how the Oil Pool Account is mentioned and when such account was created;

(c) the details of amount available in the account during the last three years, year-wise;

(d) the amount collected from excise and customs duties from different oil companies, company-wise during the last three years, years-wise; and

(e) whether such collection has any effect on the deficit in Oil Pool Account; if so, to what extent?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI JANESHWAR MISHRA): (a) and (b) The existing Oil Pool Account Mechanism and pricing of petroleum products is based on the recommnedations of the Oil Prices Committee, 1976 (OPC) as amended by the Oil Cost Review Committee, 1984 (OCRC). The pool accounts are maintained to provide uniform and stable prices to the consumers within the country and reasonable retention margin for the oil companies. The adjustments are made under the following main heads;

— Crude Oil Price Equalisation Account

— Cost & Freight Adjustment Account

— Freight Surcharge Pool Account

— Product Price Adjustment Account.

The oil pool account arc expected to be self-balancing.

(c) The cumulative outstandings of the oil companies during the last years are as under:

Rs/Crs.

1994-95	3,765
1995-96	5,701
1996-97	15,500

(Provisional)

(d) and (e) Revenue realised from Customs and' Excise duties on crude and petroleum products during the last three years is as under:

Rs ./Crores

Year	*Customs*	*Excise*
1994-95	6209.01	6694.51
1995-96	8452.89	7160.13
1996-97	12436.64	9084.41

(Provisional)

Company wise revenue collection are not maintained.

News-item captioned "Indian Oil and ONGC vie for two oilfields

414. SHRI S.M. KRISHNA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether his Ministry's attention has been drawn to the news-item captioned "Indian Oil and ONGC vie for two oilfields" which appeared in "The Hindustan Times" dated the 7th July, 1997;

(b) if so, the reaction of Government thereto;

(c) what are the terms and conditions for allowing different public sector companies including ONGC for exploration of the oilfields in the country;

(d) the amount so far invested by ONGC on the oilfields, D1 and D18 offshore of the western coast; and

(e) whether Government have faced some problems in operating New Exploration Policy due to ongoing statement among oil companies?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI JANESHWAR MISHRA) (a) Yes, Sir.

(b) and (c) The Government has taken no decision on inviting .fresh bids for discovered fields.

(d) As on 31.3.1997 the total amount invested by ONGC in two oilfields Dl and D18 offshore in western coast is as follows:

(Rs. crores)

Drilling cost	Dl field	D18 field
Capital cos!	89.68	103.32 12.73

No, Sir,

Use of LPG Motor Vehicle Fuel

415. SHRI JAYANT KUMAR MALHOUTRA: Will the Minister of PETROLEUM & NATURAL GAS be pleased to state:

(a) whether it is a fact that Government has decided to allow the use of LPG as a motor vehicle fuel;

(b) if so, whether work on setting up of LPG dispensing facilities for motor vehicles has been completed; and

(c) the price at which LPG will be sold for use in motor vehicles?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI JANESHWAR MISHRA): (a) After considering the reports of the Expert Committees, the Govemment have started taking action lor amendment to the relevant A"ts/RuJes/Control Orders on use of LPG as motor vehicle fuel.

(b) No, Sir.

(c) No Decision has been taken on the pricing of LPG to be used as automotive fuel.